(c)The Indian Cotton Mills' Federation in its pre-Budget Memorandum (2004-05) has made various suggestions. Some of the suggestions pertain to rationalisation of excise duty rates for all textile products, abolition of multiple duties levied on Textiles, reduction in customs duty on raw cotton, man-made fibres and their raw materials, etc.

(d) No final decision has been taken on the proposals.

Debt Restructuring Package for Textile Mills

1687. DR. T. SUBBARAMI REDDY:
SMT. AMBIKA SONI:

Will the Minister of TEXTILES be pleased to state:

(a) whether Government have approved a debt restructuring package for integrated textile mills and a modernization scheme for the power loom sector;

(b) if so, to what extent this new revival scheme for textile units has benefited the sick textile mills;

(c) whether Centre has also decided to take steps to make the Indian textile and apparel sector competitive and felt the need to develop and popularize strong Indian brands, especially in readymade garments; and

(d) if so, what are the main proposals that are being considered in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) This package does not apply to sick units but to potentially viable textile units/mills having a minimum debt exposure of Rs. 2 crore.

(c) and (d) The Government has taken various steps to make the Indian textile and apparel sector competitive which include:

(i) Completion of CENVAT chain in entire Textile Value Chain with simultaneous rationalization excise duty on fibres, yarn, fabric/ made-ups and readymade garments (RMG) in Union Budget 2003-2004.

(ii) Launch of Cotton Technology Mission for boosting production and quality of cotton.

(iii) A programme has also been launched to induct 50,000 shuttleless looms and to modernize 2.5 lakh powerlooms in the decentralised sector by 2004.

(iv) Announcement of a package for restructuring of debt portfolios of potentially viable textile units having debts exposure of Rs. 2.00 crores and above.

(v) The Government had de-reserved the woven segment of readymade garment from the (Small Scale Industry) SSI sector. It has also raised the SSI investment limit for knitted segment to Rs. 5 crores.

(vi) The Technology Upgradation fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(vii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures.This further encourages modernisation.

(viii) With a view to making fabric production competitive, the custom duty on shuttleless looms has been reduced to 5%.

(ix) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training and Design Centres (ATQCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

(x) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.

(xi) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

(xii) For upgrading in frastructure facilities at important textile centers, a scheme Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

(xiii) For boosting exports of textile and clothing Government provides financial assistance to Textile Export Promotion Councils under marketing Development Assistance (MDA) Scheme.

Ban on cotton export

1688. SHRI ABANI ROY: Will the Minister of TEXTILES be pleased to state:

(a) whether the cotton spinning industry has urged the Union Government to put a ban on cotton export for six months;

(b) if so, the reaction of the Government in this regard;

(c) whether the export of cotton has an adverse impact on indigenous cotton prices; and

(d) if so, the corrective steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Requests have been received to restrict cotton exports, however, Government is keeping a close watch on domestic as well as international scenario for taking appropriate action as and when considered necessary.

(c) The domestic cotton prices depends upon a host of market forces like (i) the total supply of cotton in the country, which in turn, depends upon the level of production, quantity of cotton imported from outside and quantity of cotton likely to be exported; (ii) the domestic demand for cotton; (iii) the international price and price expectations pertaining to cotton etc. The quantity of cotton, which has been exported from India is insignificant compared to the estimated total production of cotton in the country.

(d) At present both export and import of cotton are free without any restrictions and cotton prices are guided by market forces.